



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of Environmental Quality

Amanda Smith
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board

Paul Hansen, P.E., *Chair*
Ken Bassett, *Vice-Chair*
Terry Beebe
Russell Donoghue
Daniel Fleming
Tage Flint
Heather Jackson
Betty Naylor
Amanda Smith
David Stevens, Ph.D.
James Webb
Kenneth H. Bousfield, P.E.
Executive Secretary

MINUTES OF THE DRINKING WATER BOARD TELECONFERENCE MEETING HELD ON SEPTEMBER 6, 2011 IN SALT LAKE CITY, UTAH

Board Members Present

Ken Bassett, Vice Chairman
Terry Beebe
Russell Donoghue
Danny Fleming
Tage Flint
Heather Jackson
Betty Naylor
David Stevens
James Webb

Board Members Excused

Paul Hansen, Chairman
Amanda Smith

Guests

Travis Blackburn, Axtell SSD
Eric Franson, Franson Civil Engineers
Ken Clark, Delta City

Staff Present

Ken Bousfield
Michael Grange
Heather Bobb
Linda Matulich

ITEM NO. 1 – CALL TO ORDER

The Drinking Water Board convened at 11:00 a.m. in Salt Lake City, Utah with Vice Chairman Bassett presiding.

ITEM NO. 2 – ROLL CALL

Vice Chairman Bassett mentioned that Paul Hansen and Amanda Smith asked to be excused from the Drinking Water Board meeting today.

Vice Chairman Bassett asked Ken Bousfield to call roll of the Drinking Water Board Members.

The roll call showed there were 9 members present.

ITEM NO. 3 – INTRODUCTIONS

Vice Chairman Bassett welcomed the guests, and asked them to introduce themselves.

ITEM NO. 4 – APPROVAL OF THE MINUTES OF JULY 13, 2012

The July 13, 2012 Drinking Water Board minutes will be available at the November 9, 2012 Drinking Water Board meeting for approval.

ITEM NO. 5 – FINANCIAL ASSISTANCE COMMITTEE REPORT

1) Status Report

Michael Grange reported the State Loan Funds has roughly \$1,000,000 in the account right with which to fund state projects. Staff is expecting approximately over \$7,000,000 over the next 12 months. By this time next year, we expect to have \$8.1 million to put towards State projects. That amount takes into account the \$1.5 million that we will be using for our state match for the FY 2013 federal capitalization grant. We will have a good amount of money to fund some state projects.

The next page shows projects that are currently out there. We have a few that are waiting to be closed. Some planning grants have been authorized recently. There are some proposed projects that will go before the Drinking Water Board today.

The third page shows another breakout of \$8 million by August 1, 2013.

Michael Grange reported right now we have in the Federal Loan Funds just over \$6 million available to use. We are expecting roughly \$7.5 million in capitalization grants for 2013. As of right now, that is our best estimate of what may happen. There is no firm number, yet. We don't expect to hear for another two months. Given that estimate, including our repayment streams, it looks like we will have almost \$22 million in federal funds between now and August 1, 2013 for federal projects.

Starting in October we can breathe a little easier, we can figure out where we are at and how much we will have for principle forgiveness for the coming year. Overall, our funds are healthy.

The next two pages show the breakdown of where we are at. We have a number of authorized projects that are scheduled to be closed in September or October. We are working with those water systems to prepare them for loan closing.

2) SRF Applications

STATE FUNDS

a) Axtell Community Service District – Julie Cobleigh

Michael Grange mentioned that Julie Cobleigh is doing a sanitary survey today, and he will be presenting Axtell's request.

Travis Blackburn, representing Axtell Special Service District, was available to answer any questions that the Drinking Water Board may have for him.

Their spring transmission line crosses 5 natural drainage washes and is in jeopardy of imminent failure during storm events. They will use this money to stabilize that transmission line and reduce the prospect of failure. They will also be installing fire hydrants on their system.

Their local MAGI is \$29,616 which is 80% of the State MAGI. Their current average monthly water bill is \$62.62 per month per connection. This includes the \$25 a month for their irrigation bill.

Michael Grange mention that based on the information that we have, Axtell Community Special Service District is considered a disadvantage community and does qualify for additional subsidization. Staff looked at a number of different scenarios.

Michael Grange commented that the Financial Assistance Committee recommends the Drinking Water Board authorize a \$153,700 construction loan to Axtell Community Special Service District at 2.72% for 20 years with \$30,700 in principal forgiveness.

Michael Grange mentioned that Julie Cobleigh will look at the financial evaluation and determine if a graduated repayment schedule is feasible.

Discussion followed.

Tage Flint moved the Drinking Water Board authorize a \$153,700 construction loan to Axtell Community Special Service District at 2.71% interest per year for 20 years with \$30,700 in principal forgiveness, a graduated repayment schedule that allows balloon payments toward the end of the repayment period, and that is satisfactory and consistent with repayment schedules the Drinking Water Board has previously authorized, that would be appropriate for this project and in an amount that the Board is comfortable with.

Discussion on motion.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

3) Other Business – Michael Grange

No other business.

ITEM NO. 6 – LETTERS – Zion View Estates

Michael Grange mentioned he doesn't have any comments on the Zion View Estates letter. The letter is in reference to an article that was printed in the Salt Lake Tribune: "Utah Legislator rips D.C. while raking in federal cash, reported by Judy Fahys.

Michael Grange mentioned the letter goes along with what he and Ken Bousfield had discussed briefly after they saw the article in the Salt Lake Tribune. Michael said he had some questions about some information presented in the article. Michael said that he and Ken decided that they wouldn't officially respond to the article, and that Chairman Hansen was going to discuss the article with the Drinking Water Board members.

ITEM NO. 7 – NEXT BOARD MEETING

Vice Chairman Bassett reported the next Drinking Water Board meeting will be held on November 9, 2012 at 1:00 p.m. in Salt Lake City, Utah.

ITEM NO. 8 – OTHER

No other business.

ITEM NO. 9 – ADJOURN

Vice Chairman Bassett stated a motion to adjourn the Drinking Water Board meeting was in order.

Betty Naylor moved to adjourn the Drinking Water Board meeting at 11:25 a.m.

Heather Jackson seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary